

NEW SOUTH WALES.

BUSINESS STATISTICS - 17th September, 1941.

The business situation is very strong. Share prices have risen higher than for four years; bank clearings are a record and activity in real estate and residential building has increased. Heavier rail, tram and bus traffic reflects the expansion of war industries. Prices show moderate wartime increases but remain in reasonable relationship. Light falls refreshed crops and grasses but heavier rain is needed.

C O N T E N T S.

PART

I	<u>Season:</u>	Useful rain - more needed. Rainfall index, Aug., 1941.
	<u>Export Prices and External Conditions:</u>	Prices steady. Shipping. American policy. Conditions in U.S.A. Defence and Aid to Britain. Economic controls - taxation. Conditions in U.K. Control of exports. Finance.
	<u>Price Relationships:</u>	Movements of prices in N.S.W. - June Qr., 1941.
	<u>Currency Relationships:</u>	Sterling-dollar rate firm in New York.
	<u>Wool:</u>	Appraisements and receipts in N.S.W.
	<u>Wheat:</u>	Condition of crops in Australia. N. American harvest estimates. Prices higher in Chicago, but steady elsewhere. Local market quiet.
	<u>Butter:</u>	Production of N.S.W. factories - July, 1941. Intra-state Quota-Sept., 1941. Pay for cream, N. Coast factories - August, 1941.
	<u>Metals.</u>	Prices steady in London. Export parity prices of Australian metals - July, 1941.
II	<u>Bank Clearings, Sydney:</u>	August and Jan.-Aug., 1941.
	<u>Stock Exchange, Sydney:</u>	August, 1941.
	<u>Real Estate, N.S.W.:</u>	Sales & Mortgages - Aug. & Jan.-Aug., 1941.
	<u>Interest Rates - Mortgages:</u>	June-August, 1941.
	<u>- Bonds:</u>	August-September, 1941.
	<u>Oversea Trade, Australia:</u>	Commodity trade - July, 1941.
III	<u>Buildings Commenced - Value and (Metrop. Water Bd. Area) No. of Houses -</u>	August & Jan.-Aug., 1941.
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	<u>Railways, N.S.W.:</u>	Passengers, freight & finance - July, 1941.
	<u>Trams and Buses: (Sydney & Newcastle)</u>	Passengers and Finance - July, 1941.

BUSINESS STATISTICS - 17th September, 1941.

PART I PRIMARY AND EXPORT INDUSTRIES.

SEASON: Crops and pastures have been maintained by periodic light to moderate falls of rain which have been fairly substantial in central and southern sections of the State between the mountains and the Lachlan River. A rainstorm early this week relieved a long dry spell over most of the South Coast. No rain of consequence has fallen on the North Coast for several weeks. Index numbers of rain-fall in recent months indicate the need of copious rains to replenish subsoil moisture. Numbers in parenthesis in the table are those of the corresponding month of 1940:-

<u>1941 (1940)</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May.</u>	<u>June.</u>	<u>July.</u>	<u>Aug.</u>
	Weighted Av. Ratio (%) of Actual to Normal Rainfall.					
Sheep Districts	152(46)	16(204)	58(33)	95(17)	47(21)	37(36)
Wheat "	148(21)	11(227)	61(36)	87(17)	67(33)	41(36)
Dairying "(Coast)	87(104)	88(88)	63(39)	68(58)	40(18)	38(90)

EXPORT PRICES AND EXTERNAL TRADE CONDITIONS.

Prices and conditions governing the export of commodities from Australia are materially unchanged. Export prices are steady at about 20 per cent. above the pre-war level. Marketing and shipping difficulties hinder export trade. Shipping losses have been lighter recently. American shipbuilding is expanding rapidly. Following President Roosevelt's declaration the U.S. Navy will be used to "capture or destroy" Axis raiders in the Western Atlantic (as far east as Iceland).

America's defence and aid to Britain programme is developing. It is claimed that 98 p.c. of firms with defence orders are in production. Defence expenditure in August was £A366 m. Supplies already provided under the Lend-Lease Act amount to £A101 m. including £A35 m. of agricultural products. U.S.A. exports to U.K. in Jan.-June in 1941 were £A652 m. and 74 p.c. greater than in 1940. Priorities for steel are being enforced. Time payment credit has been restricted as an anti-inflation measure - also an object of the Senate in bringing income tax exemptions down to £A468 for married and £A233 for single persons.

The British National Debt rose by £stg.2,467 m. to £stg.11,399 m. during the year ended March, 1941. The fiduciary issue has been increased by £stg.50 m. to £stg.730m. for not more than six months. Mobilisation of manpower, particularly of female labour, continues. There is practically no unemployment in U.K. About £stg. 100 m. a year is being spent by the Ministry of Food to keep down living costs. Britain is more closely controlling exports to regulate competition between American and British exporters and to safeguard against lend-lease supplies being used to give British exporters advantages.

Both Germany and Britain have trade missions in Turkey. Regulated U.S.A.-French North Africa trade is under discussion. Britain is pledged to give financial as well as material and military help to Russia. Supplies are also being sent to Russia by the U.S.A. A special U.S.A. economic envoy (Mr. H.Grady) has visited the N.E. Indies "to advise on better economic and financial co-operation between the ABCD countries".

PRICE RELAT- IONSHIPS.

Local prices have been controlled throughout the war period. Imported goods are dearer as a result of increases in price in countries of origin and in costs of transportation, etc. Higher rates and wider incidence of Sales Tax and increased costs due to higher wages rates have been reflected in prices of locally made goods, though, in general prices of basic foodstuffs have been kept down. The following index numbers do not reveal any very pronounced disparities.

PART I (Continued)

	<u>Export Prices.</u> <u>in Aust. Currency.</u> (C'wealth Stat'n.)	<u>Wages. (Weighted</u> <u>Av. Weekly Rates</u> <u>- Males, N.S.W.)</u>	<u>Retail Prices</u> <u>"All items"</u> (Wtd. Av., N.S.W.)
Average, 1928-29	100.0	100.0	100.0
June Qr., 1939	70.2	96.0	91.4
" 1940	88.4	97.1	95.1
" 1941	89.4	100.1(?)	99.9

INTERNATIONAL
CURRENCY
RELATIONSHIPS.

£stg.

The rate of exchange, United States dollars for sterling in New York has been very steady at \$4.035 to \$4.0375 to £stg. during the past few weeks, and has not dropped below \$4 to £stg. at any time in the last twelve months. The official rate in London is \$4.03 to

The average rates (mean of buyers' and sellers' daily quotes) in the open market in New York compare as follow:-

<u>New York.</u>	<u>Rates of Exchange.</u>								
	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept. 16.</u>
	U.S.A. Dollars for £stg.								
1939	4.67	4.69	4.69	4.68	4.68	4.68	4.68	4.61	4.03
1940	3.97	3.96	3.75	3.53	3.28	3.64	3.81	3.99	4.04
1941	4.04	4.03	4.03	4.03	4.03	4.03	4.04	4.03	4.035

WOOL. The appraisalment of wool is proceeding steadily in Sydney and up to Sept. 11, 1941 the number of bales appraised was 208,443 compared with 179,895 in the corresponding period of 1940-41. To the same date 357,278 bales of wool had been received in Sydney in 1941-42, or 32,128 bales less than in 1940-41.

Indications are that in New South Wales the 1941-42 wool clip may be from 5 to 10 per cent. smaller than that of the preceding year, and wool production in the Commonwealth also is likely to be somewhat smaller.

American consumption of wool continues at a record level and prices in Boston are very firm.

WHEAT. Crop prospects in New South Wales are rather varied but in no part of the wheat belt is maturity assured, and in some sections crops are almost in a critical condition. South and Western Australia will each have bountiful harvests given only average weather conditions in the next three months.

The United States estimate of the 1941 harvest is, next to that of 1915 a record. The expected yield (957 m. bus.) is 204 m. bus. above the average 1931-40. The forecast for Canada is 306 m. bus. (compared with 551 m. bus. last year) and is lowest for some years because of reduced acreage and below average yields in important sections of the Prairies.

New South Wales is to receive £175,000 of the £500,000 granted this year by the Commonwealth for reconstruction of marginal wheat lands.

In Chicago wheat futures rose strongly again early in the month but eased a little in the last few days. For Dec. options the quotation on Sept. 15 ($122\frac{3}{8}$ cents) was nearly 60 p.c. higher than on Sept. 16, 1940 ($76\frac{3}{4}$ cents a bus.) United States prices bear no relationship to those in Winnipeg and London, which have shown little movement. Dec. futures in Winnipeg were only $74\frac{5}{8}$ cents a bus. The local market is quiet and prices are steady. For bulk wheat for local flour the Wheat Board's quotation of 3s.11 $\frac{1}{4}$ d. a bus. ex trucks Sydney has been unchanged for over a year and compares with the market quotation of about 2s.10 $\frac{1}{2}$ d. two years ago. Flour sold locally remains at £12.13s. a ton, including tax.

/PRICES.....

PART I (Continued)

PRICES OF WHEAT IN NEW SOUTH WALES.

Shippers' offers to 1938-39. Prices for wheat for local flour from Dec., 1939.

<u>Bulk Wheat.</u>	Seasons ended November.				August.		Sept.16, 1941.
	Av.1931-35.	1937.	1939.	1940.	1940.	1941.	
	Shillings and pence per bushel.						
Ex trucks, Sydney	2 9 $\frac{1}{2}$	5 3	2 5	3 10 $\frac{1}{2}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$
Equiv.ex farm at country siding X	2 2 $\frac{1}{2}$	4 8	1 9 $\frac{1}{2}$	2 11	2 11	2 9 $\frac{1}{2}$ Ø	2 9 $\frac{1}{2}$ Ø

X Exclusive of bounty. ϕ Net equivalent of advances made to date.

BUTTER. Very adverse seasonal conditions were experienced during winter in principal dairying districts in New South Wales. Parts of the dry South Coast received beneficial rain early this week, but all along the Coast heavy rain is needed.

In May-July 1941 butter made in N.S.W. factories was 16.53 m. lb. compared with 17.40 m. lb. in May-July 1940 and 24.78 m. lb. in May-July, 1939. In the peak five years 1931-32 to 1935-36 average production in the three winter months was 20.14 m. lb.

BUTTER PRODUCED IN NEW SOUTH WALES FACTORIES.

	Av. 1932-36	1936.	1937.	1938.	1939.	1940.	1941.
July Mill. lb.	5.44	4.99	4.16	4.44	6.58	5.05	4.59
May-July "	20.14	18.71	16.40	16.40	24.78	17.40	16.53

In September, 1941 factories in N.S.W. may sell within the State 51 per cent. of the butter made. This quota compares with 54 per cent. in Sept., 1940 but is related to production prospects and supplies in Australia as a whole rather than the position in N.S.W. Quotas fixed for September of recent years were:-

	1936.	1937.	1938.	1939.	1940.	1941.
September Quota.	51%	57%	48%	42%	54%	51%

For cream supplied in August, 1941 certain North Coast factories are paying farmers 13d. per lb. of butter made - the same as in Aug., 1940 and a price which compares favourably with prices received in August of earlier years.

PAY TO SUPPLIERS OF CREAM TO CERTAIN NORTH COAST FACTORIES, N.S.W.

	Mar.	Apr.	May	June	July	Aug.	Deferred Pay Jan.-June. ϕ
Pence per lb. of commercial butter made.							
1934	7 X	8 X	9¼ X	9¼ X	9¼ X	10 X	1½
1937	11 X	11½ X	12¼ X	12½ X	13½	13½	1
1939	12½	12¼	12	12½	12½	12	1.06
1940	12⅝	12¾	13	13¼	13¼	13	1¾
1941	12¾	12⅞	13	13¼	13¼	13	1

ϕ These amounts are additional to those shown for each relevant month.

X Cartage charges (about ⅓d. a lb. - now paid by factories) met by farmers.

METALS. In the open market in London prices of tin and silver continue to move in close range to the recent average. At 1s.11½d.(stg.) silver is about 6d. an oz. dearer than in August, 1939 and tin, at £257 a ton is about £17 a ton above the average of the pre-war month. Prices of electrolytic copper (£62) lead (£25) and spelter (£25.15s.) per ton duty paid delivered to buyer in London, are fixed as maxima by the British Ministry of Supply.

/It is.....

PART II (Continued)

It is reported that the United States Government is negotiating for supplies of lead from Australia.

In the following statement average export parities of prices received for metals exported from Australia are shown. Prices show only slight month to month variations and in some cases are considerably above the pre-war level.

AVERAGE PRICES OF METALS (EXPORT PARITIES, f.o.b.) AUSTRALIA.

	Silver (Standard) oz.		Lead. ton.			Spelter. ton			Tin (Standard) ton			Gold (Fine) oz.		
	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.
Average 1937	2	1.0	27	9	7	29	1	6	292	16	5	8	15	1
1938	2	0.1	17	12	11	19	12	10	228	11	10	8	17	1
1939	2	1.4	17	12	1	19	15	3	268	3	6	9	14	4
July, 1939	1	9.1	16	19	1	19	14	6	273	3	3	9	4	11
May, 1941	2	3.9	19	3	11	22	0	5	300	1	8	10	14	0
June "	2	3.8	18	18	9	22	0	6	297	14	1	10	14	0
July "	2	3.8	18	12	11	22	9	0	294	1	8	10	14	0

PART II FINANCE AND TRADE.

BANK CLEARINGS. As in recent months the amount of inter-bank clearings in Sydney in August, 1941 was a record. In the eight months ended August transactions were £738.1 million in 1941 compared with £706.6 m. in 1940. The transfer of funds to Government in taxes and loans as well as some rise in the price level has contributed to the increase in the money value of cheques cleared, but the increased circulation of money due to public war expenditure and the record level of industrial activity and employment are the major factors.

The index number of bank clearings for the three months June-August, 1941 was 23 per cent. above the pre-depression (1926-30) average and 24.2 per cent. above the level in June-August, 1939. Other comparisons are as follow:-

	<u>Amount. (a)</u>	<u>Index Number. (b)</u>
	<u>August.</u>	<u>Jan.-Aug.</u>
	£million.	£million.
		<u>June-Aug.</u>
		1926-30 = 100.
1937	70.0	612.2
1938	72.9	614.5
1939	74.9	601.6
1940	83.6	706.6
1941	87.0	738.1

(a) Excluding Treasury bill transactions.

(b) The index is adjusted to eliminate effects of bank amalgamations and special Governmental transactions but not for changes in price levels.

STOCK EXCHANGE. The average value of ordinary company shares on the Sydney Stock Exchange has been rising during the past three months and in the last few days reached the highest level for about four years but decreased yesterday. The very strong market ruling late in August and during the opening weeks of this month was attributed to optimism regarding the outcome of the war, trends in share prices in London and New York and continued profitable operation of local companies. The Sydney Stock Exchange Research and Statistical Bureau found that in 67 companies with paid up capital (in 1941) of £69.6 m. net earnings which were $3\frac{1}{2}$ p.c. lower in 1940 than in 1939 were 1 p.c. greater in 1941 than in 1940 and were equal to 9.7 p.c. on paid up capital. Shares in practically all kinds of enterprise have been in demand.

In August the index number of average value of ordinary company shares was 2.4 points higher than in July, 1941 and 14.9 points (9.6 p.c.) higher than in August, 1940, though still 11.3 points (6.3 p.c.) below the highest wartime average (Jan., 1940). Comparisons by groups are as follow -

INDEX OF VALUE OF ORDINARY SHARES - SYDNEY STOCK EXCHANGE.
Excluding Banks. Par value = 100.

Average for Month.	Shares in Companies engaged in -					Total (75 Companies)	34 Active Shares
	Manufac- turing & Dis- tributing.	Retail Trade.	Public utili- ties.	Pastoral and Finance.	Insur- ance.		
March, 1937 (a)	214	204	181	169	281	190	200
January, 1940 (b)	229	174	152	132	270	182	195
June, 1940 (c)	187	138	129	110	233	151	160
January, 1941	223	171	143	122	255	174	188
June "	214	163	134	119	251	166	180
July "	219	165	135	124	249	168	183
August "	222	170	137	127	249	170	186

(a) Highest point. (b) Highest and (c) lowest point of war period.

PART II (Continued)

REAL ESTATE. Sales of real estate registered in New South Wales in August, (as in most earlier months of this year) were greater in value than in the corresponding month of 1940 but failed to reach the pre-war level. Oversight of mortgage transactions exceeding £5,000 in value - under the National Security (Capital Issues) Regulations - tends to restrict transfers of large properties, but strong demand is reported for houses, residential investment and industrial properties and sites.

In the eight months ended August sales were £21.76 m. in 1941 compared with £20.11 m. in 1940 and £25.76 m. in 1938. Mortgages registered in Jan.-Aug., 1941 were 41.6 p.c. below the value in the corresponding period of 1938 and in the last eight months averaged £1.3 m. a month - only slightly above the low average (£1.26 m.) in the latter half of 1940.

REAL ESTATE TRANSACTIONS - NEW SOUTH WALES.

	Month of August.		Eight months ended August.	
	Sales.	Mortgages. ϕ	Sales.	Mortgages. ϕ
	£000	£000	£000	£000
Average 1925-29 x	(4,619)	(4,042)	(36,952)	(32,336)
1938	4,262	2,184	25,761	17,834
1939	3,068	2,700	22,445	16,172
1940	2,259	1,099	20,112	11,754
1941	2,545	1,213	21,765	10,382

ϕ Includes normal renewal of mortgages in 1925-29. Renewals were rendered unnecessary in many cases by the Moratorium Act, 1930.

x Monthly and eight months averages.

INTEREST RATES - Mortgages. For almost a year the weighted average rates of interest on private first mortgages in moving three monthly periods have changed hardly at all. Rates of interest on first mortgages registered in June-August, 1941 were, for urban mortgages 5.5 p.c. and for rural mortgages 4.9 p.c. per annum. On rural mortgages the average rate approximates, and on urban mortgages is only about one-quarter per cent. above the record low level of 1935.

AVERAGE RATES OF INTEREST ON PRIVATE FIRST MORTGAGES, N.S.W.

First Mortgages.	Average - Calendar Year.						Av. June-August.		
	1934.	1935.	1937.	1938.	1939.	1940.	1939.	1940.	1941.
	Weighted average rate of interest - per cent. per annum.								
Rural	5.1	4.8	5.0	5.0	5.2	5.1	5.4	4.9	4.9
Urban	5.3	5.2	5.3	5.4	5.6	5.6	5.5	5.6	5.5

GOVERNMENT SECURITIES. Bond prices tended a little lower during August but firmed again early in September, 1941. On loans subject to taxation (by the Commonwealth) at rates not exceeding those levied in 1930 the net redemption yield on 5-10 years bonds was £2.18s.3d. p.c. per annum on Aug. 27, 1941 compared with £3.4s.9d. p.c. in Aug., 1940 and £4.0s.5d. in Aug., 1939. The demand for equity stocks has now carried over into the bond market, reflecting general confidence. A £500,000 City Electric Light Co. Ltd. (Brisbane) $4\frac{1}{4}$ p.c. debenture issue was filled last week in three days (instead of three weeks) suggesting that investment funds are plentiful and that the rate of interest offered may have been somewhat above that currently expected for this class of security.

COMMONWEALTH GOVERNMENT LOANS - INTEREST YIELDS (Including Redemption).

Maturing in (1941)	Jan. 29.	May 14.	June 11.	July 16	Aug. 13	Aug. 27
	Interest yield - £.s.d. per cent. per annum. \star					
5-10 years: Fully Taxed ϕ	3 4 2	3 4 2	3 1 8	3 1 4	3 1 6	3 4 0
Part " \times	2 17 7	3 1 10	2 18 9	2 19 1	2 18 5	2 18 3
Over 10 years:						
Part Taxed \times	2 19 9	3 4 0	3 2 2	3 2 4	3 3 2	3 3 2

\star Weighted average calculated on earliest date of maturity.

ϕ Interest subject to full Commonwealth but no State taxation.

\times Interest subject only to Commonwealth taxation and only at 1930 rates of taxation.

PART II (Continued)

OVERSEA TRADE - AUSTRALIA. The value of merchandise exported from Australia in August, 1941 (£stg.8.51 m.) almost equalled that in Aug., 1940 but imports of merchandise were 19.1 p.c. greater in value at £stg.10.43 m. Monthly comparisons have not their usual significance. Trade has decreased somewhat - doubtless due to shipping difficulties - but the following comparisons of external trade in the first two war years and the year immediately preceding indicate considerable success in meeting the difficult circumstances:-

	Merchandise Exports (£stg.m.)						Merchandise Imports (£stg.m.)					
	Sept.- Dec.	Mar. Qr.	June, Qr.	July	Aug.	Sept. -Aug.	Sept.- Dec.	Mar. Qr.	June Qr.	July	Aug.	Sept.- Aug.
1938 & 1939	37.9	24.6	21.0	6.6	6.5	96.6	32.6	25.1	23.5	8.9	9.2	99.3
1939 & 1940	38.0	32.5	31.9	9.3	8.5	120.2	29.2	35.0	33.2	12.6	8.8	118.8
1940 & 1941	35.8	27.6	28.0	9.2	8.5	109.1	36.1	23.5	27.7	9.6	10.4	107.3

The U.S.A. Lend-Lease Act may open opportunities for Australia to obtain necessary goods from America, primary production in Australia may be greater than in 1940-41, and exports of war goods are bound to increase, but trading results in 1941-42 will depend upon the shipping space available more than anything else. Results of commodity trade in July and August are given below, and as to balance were more favourable this year than in any other recent year. It should be remembered that for some goods (e.g., wool) payment is made by the British Government, irrespective of shipment so that payments for exports may exceed the recorded value of exports.

OVERSEA TRADE - AUSTRALIA - MERCHANDISE ONLY. ø

	Month of August.			Months of July and August.					
	1939.	1940.	1941.x	1936.	1937.	1938.	1939.	1940.	1941.x
	Value in £ sterling million.								
Merchandise Exports	6.47	8.53	8.51	9.95	14.98	13.04	13.05	17.82	17.72
Imports	9.21	8.75	10.43	15.75	17.79	18.23	18.06	21.38	20.04
Commodity Balance	-2.74	-.22	-1.92	-5.80	-2.81	-5.19	-5.01	-3.56	-2.32

ø Particulars of bullion and specie not available for publication.
 x Preliminary. Minus sign (-) denotes excess of imports.

BUILDING INDUSTRY.BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.

(Note: Most Government buildings are included).

Building activity is being maintained, due in part to a high level of house and flat building and a substantial volume of public contracts. Building control has been tightened and returns reveal marked decreases in non-essential types of building. Houses commenced in Aug., 1941 were a record in value and number.

The Building Control Regulations now require consent of the Federal Treasurer for the erection of any dwelling containing more than two flats, even if the estimated cost is less than £3,000. It has also been provided that consent given for erection of buildings will lapse unless commenced within six months.

Buildings to cost £1,138,000 were commenced in the Metropolitan Water Board Area in August, 1941 - £86,000 more than in Aug., 1940, £42,000 less than in Aug., 1939 and £203,000 less than in Aug., 1938. A high level of building activity has been maintained, but buildings commenced in the eight months ended Aug., 1941 were 5.3 per cent. lower in value and still more so in volume than in Jan.-Aug., 1938. Monthly totals have varied more irregularly during the war period than previously and the trend of the building industry is not well defined:-

MONTHLY AVERAGE VALUE OF BUILDINGS COMMENCED.

										TOTAL
										January to
										August.
		<u>Nov.-</u>	<u>Dec.-</u>	<u>Jan.-</u>	<u>Feb.-</u>	<u>Mar.-</u>	<u>Apr.-</u>	<u>May-</u>	<u>June-</u>	
		<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May.</u>	<u>June.</u>	<u>July</u>	<u>Aug.</u>	
1938	£000	1127	1047	1020	983	1072	1083	1163	1214	8,947
1939	£000	909	930	1025	1040	1096	1090	1096	1082	8,537
1940	£000	990	971	1018	956	1097	1138	1221	1136	8,956
1941	£000	914	849	990	961	989	972	1177	1231	8,477

Building has decreased greatly in the City of Sydney, but in other parts of the Area the value of buildings commenced in 1941 was greatest of post-depression years. Comparative particulars are as follow:-

	<u>CITY</u>				<u>SUBURBS</u>			
	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>
August £000	380	68	100	31	961	1,112	952	1,107
Jan.-Aug. £000	1,645	1,447	1,261	586	7,302	7,090	7,695	7,891

These movements are associated with an increase in recent months in house and flat building - the former to record levels - and a sharp falling off (partly due to official control) in the erection of shops, hotels, city offices, and miscellaneous buildings. For houses and flats commenced the value in recent months and the corresponding months of 1939 and 1940 was as under:-

	<u>HOUSES.</u> (£000)						<u>FLATS.</u> (£000)					
	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>
1939	510	357	538	528	542	636	245	135	170	171	203	247
1940	469	490	492	470	684	531	170	217	207	210	236	181
1941	547	479	530	564	681	717	322	202	259	320	238	232

In these six months the totals for houses were £3.11m. in 1939, £3.14 m. in 1940, and £3.52m. in 1941, and for flats were £1.17m., £1.22m. and £1.57m. respectively,

Details of value of the various kinds of buildings commenced in the eight months ended August of each of the past five years, together with percentage changes between the pre-war and the past eight months are given on following page. Heavy expenditure

/on houses.....

on houses and flats is revealed. The decreases under "business premises" and "miscellaneous" would have been greater were it not for extensive building of flats and of public expenditure on military buildings, hospitals, etc. *factories*

BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.

(Including new buildings, additions, etc. and most Government buildings).

Type of Building.	August		Eight months ended August					Movement Jan.-Aug. 1939 to 41.
	1940	1941	1937	1938	1939	1940	1941	
	Value of buildings commenced - £ thousand.							per cent.
Dwelling Houses	531	717	2522	4045	4083	4120	4481	+ 9.7
Flats	181	232	1208	1833	1431	1553	1958	+ 36.8
Business Prem. Ø	267	143	2654	2649	2340	2184	1354	- 42.1
Miscellaneous *	73	46	588	420	683	1099	684	+ 0.1
Total	1052	1138	6972	8947	8537	8956	8477	- 0.7

Ø Shops, offices, factories, etc.

* Theatres, churches, schools, hospitals, etc.

Building costs are appreciably above the pre-war level and less money is available to members and prospective members of co-operative building societies. It appears, however, that the demand for housing, and the attraction of real estate as an investment are such that the erection of houses and flats is being undertaken in as great volume as at any time in the last decade. There has been much factory building but in other respects and notwithstanding a large volume of public building, activity has decreased and appears likely to remain very restricted.

DWELLING HOUSES. There were 784 dwelling houses (not flats) commenced in this Area in August, 1941 - a record for any post-depression month. There is a tendency for house-building to increase in the middle months of the year. The recent movement has been more emphatic than usual but it is not to be assumed that house-building will be maintained at the recent exceptional level.

In the eight months ended August the number of houses commenced has varied less than 5 per cent. in the last four years, but in the last three months the number (2,116) was greater than in June-Aug., 1939 or 1940 and practically up to the post-depression highest level in 1938 (2,134). Other comparisons are appended.

DWELLING HOUSES COMMENCED - METROPOLITAN WATER BOARD AREA.

	August	Mar. Qr.	June Qr.	Sept. Qr.	Dec. Qr.	Jan.-Aug.	Year ended Aug.
Number of Dwelling Houses (excluding flats) commenced.							
1936	398	1273	1251	1668	1195	3,597	5,003
1937	544	1152	1212	1618	1592	3,386	5,299
1938	777	1267	1857	2120	1853	4,961	7,215
1939	765	1859	1785	2034	1663	5,061	7,634
1940	629	1740	1720	2036	1665	4,832	7,112
1941	784	1587	1751	-	-	4,841	7,170

MOTOR VEHICLES. Fewer new motor vehicles are being sold than at any time for many years. This is due largely to the severity of petrol rationing, but even before the war business of this kind was decreasing. In August, 1941 the number of new motor vehicles registered averaged 66 per week, compared with 468 a week in August, 1939 and 624 a week in August, 1937. The falling off was not quite so marked in sales of new lorries and vans as of other vehicles:-

/AVERAGE.....

AVERAGE NUMBER OF NEW MOTOR VEHICLES REGISTERED PER WEEK, N.S.W. Ø

	Cars, Cabs and Omnibuses.						Lorries and Vans.					
	Mar.	Apr.	May	June	July	Aug.	Mar.	Apr.	May	June	July	Aug.
1937	526	452	523	497	451	414	138	162	187	218	202	210
1938	505	478	487	383	357	340	177	182	207	155	156	147
1939	435	393	417	376	305	322	131	130	151	141	133	146
1940	268	243	176	115	63	88	106	114	103	70	60	53
1941	167	121	89	40	20	21	71	47	46	40	42	45

Ø Exclusive of trailers and of vehicles in Defence services.

Some motorists are preparing to use substitute fuels - charcoal gas, methane gas, power alcohol, petrol from shale, etc. - but many private users are allowing registration of their vehicles to lapse. There were decreases of 3,695 cars and 167 lorries and vans during August, 1941 making total decreases of 22,864 cars and 2,700 lorries and vans during the first two war years. In the last three months 12,980 vehicles went off the register compared with 14,935 between Aug., 1939 and May, 1941.

NUMBER OF REGISTERED MOTOR VEHICLES IN NEW SOUTH WALES Ø

		1933	1939	1940		1941			
		July	Aug.	Aug.	Dec.	May	June	July	Aug.
Cars	000	148.2	216.6	205.2	207.4	205.7	202.6	197.5	193.8
Lorries & Vans	000	48.2	77.5	74.6	75.6	75.5	75.3	75.1	74.9
All Vehicles	000	216.5	329.2	312.3	316.4	314.5	310.9	305.0	300.7

Ø Exclusive of vehicles in defence services; including cycles and trailers.

RAILWAYS. The State railways are more fully employed than ever before and in consequence financial results in recent months have been very good. War industries, soldier, etc. travelling and curtailment of coastal shipping services are factors in the war-time increase in railway traffic. Goods haulage in July, 1941 was not as great as in July, 1940 (because then the railways were trying to overcome effects of the coal stoppage of March-May, 1940). In other respects, however recent results were the best yet shown during the war period.

In the year ended June, 1941 the railways earned £6,054,000 in excess of working expenses, and with the amount of £800,000 provided by the Government for losses in operating developmental lines, the full capital charges of the railways were met. The payroll tax will increase working expenses in 1941-42.

NEW SOUTH WALES GOVERNMENT RAILWAYS.

	YEAR ENDED JUNE.			MONTH OF JULY.		
	Passenger Journeys	Goods Ton Mileage.	Working SurplusØ	Passenger Journeys	Goods Ton Mileage.	Working SurplusØ
	million	million	£000	million	million	£000
1937	177.8	1810	5,461	15.1	146.4	439
1938	189.3	1938	5,726	15.6	162.1	372
1939	186.7	1842	4,603	15.2	146.6	370
1940	179.1	1914	5,308	15.5	238.3	808
1941	194.1	2211	6,054	16.8	185.4	623

Ø Excess of earnings over working expenses exclusive of interest, etc. charges amounting in 1939-40 to £6,561,000.

ROAD TRANSPORT SERVICES. In July, 1941 Government trams and omnibuses in Sydney and Newcastle carried 38.1 million passengers - 27.4 p.c. more than in July, 1938 or 1939 - and in consequence gross earnings have risen to a record level. At the same time increases in staff and maintenance work have been necessary to cope with the heavy traffic, wages rates have risen and the Department has the pay-roll tax to meet. However, the excess of earnings over working expenses in July, 1941 (£67,100) was greater than in July of any of the preceding three years.

PART III (Continued.)

GOVERNMENT TRAMWAY AND OMNIBUS SERVICES - SYDNEY AND NEWCASTLE.

	YEAR ENDED JUNE.				MONTH OF JULY.			
	Earn-ings.	Working Expenses	Working Surplus ^ø	Passen-gers.	Earn-ings.	Working Expenses	Working Surplus ^ø	Passen-gers.
	£000	£000	£000	mill.	£000	£000	£000	mill.
1938	4,295	3,559	736	371	345.6	300.1	45.5	29.9
1939	4,374	3,707	667	375	351.1	308.1	43.0	29.9
1940	4,468	3,768	700	378	371.2	314.2	57.0	31.6
1941	4,790	3,932	858	407	428.0	360.9	67.1	38.1

^ø Excess of earnings over working expenses, exclusive of interest, sinking fund, exchange and current depreciation amounting in 1940-41 to £662,000.